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COLUMBIA | GREENVILLE

December 16, 2004

HAND DELIVERED

Mr. Charles Terreni
Chief Clerk of the Commission
Public Service Commission of South Carolina
Synergy Business Park, Saluda Building
101 Executive Center Drive
Columbia, SC 29210

**Re: Andiamo Telecom, LLC
Case No. 2004-252-C
Our File No. 01224-0001**

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2004 DEC 16 AM 10:15
COLUMBIA, SC

Dear Mr. Terreni:

Enclosed for filing please find the Testimony of Peter Stazzone on behalf of Andiamo Telecom, LLC. The company does not intend to use telemarketing in South Carolina; therefore, no sample scripts are included. Please date-stamp the extra copies of the testimony as proof of filing and return them with our courier.

If you have any questions, please have someone on your staff contact me.

Very truly yours,

ROBINSON, MCFADDEN & MOORE, P.C.

Bonnie D. Shealy
Bonnie D. Shealy

/bds
Enclosure

cc/enc: Ms. Sharon Thomas (via email)
Mr. Peter Stazzone (via email)
Mr. James McDaniel, Office of Regulatory Staff (via email)

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

Docket No. 2004-252-C

In the Matther of the Application of)
 Andiamo Telecom, LLC, for a Certificate)
 Public Convenience and Necessity)
 To Provide Resold and Operator Assisted)
 Interexchange Telecommunciations Services,)
 For Alternative Regulation, and for)
 Authority to Acquire Certain Assets of)
 Dancris Telecom, LLC)
 _____)

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 2004 SEP 16 AM 15
 COMMUNICATIONS
 SECTION

**ANDIAMO TELECOM, LLC
("Andiamo")**

Prefiled Testimony of

Peter Stazzone

RETURN DATE: OK DW
 SERVICE: OK DW

1 **Q. Will you please state your name and business address.**
2 A. My name is Peter Stazzone. My business address is 10575 North 114th Street, Suite 103, Scottsdale,
3 Arizona 85259.
4
5 **Q. By whom are you employed and in what capacity?**
6 A. I am the Chief Financial Officer for Andiamo Telecom, LLC.
7
8 **Q. Please give a brief description of your background and experience.**
9 A. I have over 20 years experience in domestic and international experience in finance, strategic
10 planning, operations, and accounting, and have a track record in the development of systems and
11 processes that increase productivity and efficiency. I have an MBA degree in Finance and
12 International Business from DePaul University and a BS in Accounting from the University of Illinois
13 at Urbana. In addition, I am a Certified Public Accountant.
14
15 **Q. What is the purpose of your testimony?**
16 A. The purpose of my testimony is to present evidence on the financial, technical and managerial
17 abilities of Andiamo Telecom, LLC to provide operator assisted services throughout the State of
18 South Carolina; to describe the service Andiamo Telecom, LLC proposes to offer and to discuss
19 the proposed tariff. In addition, I will describe the transfer of the customer base of Dancris
20 Telecom, LLC to Andiamo.
21
22 **Q. Has Andiamo Telecom, LLC registered to do business in South Carolina?**
23 A. Yes. Andiamo Telecom, LLC is an Arizona limited liability company and has received a
24 Certificate of Authorization from the South Carolina Secretary of State, which is attached to our
25 application in **Exhibit II**.
26
27 **Q. Please explain the Company's corporate structure.**
28 A. Andiamo Telecom, LLC is a limited liability company organized in Arizona on November 24,
29 2003. It was formed by a group of investors to acquire operating telecommunications companies
30 with an emphasis on retail-oriented companies.

1 **Q. Please describe the services Andiamo Telecom, LLC proposes to offer.**

2 A. Andiamo Telecom, LLC intends to provide telecommunications service throughout the State of
3 South Carolina. The company is seeking authority to provide resold long distance service, travel
4 card and operator assisted services. The company does not intend to offer prepaid card services in
5 South Carolina. If the company decides to offer prepaid card services in the future, it will comply
6 with the Commission's requirement that it post a \$5,000.00 bond.

7
8 Andiamo Telecom, LLC will primarily provide operator assisted services to presubscribed and call
9 aggregator locations in the State of South Carolina in accordance with the rules and regulations set
10 forth by the Commission. Andiamo Telecom, LLC's service will allow access to emergency services
11 (911) and the operator (0-). Andiamo Telecom, LLC will provide access to interexchange carriers
12 certificated in South Carolina via access code dialing. Service will be provided twenty-four (24) hours
13 per day, seven (7) days a week.

14
15 **Q. Does Andiamo Telecom, LLC own any network switches or transmission facilities used in**
16 **routing calls?**

17 A. Andiamo maintains switches and transmission facilities in Los Angeles, California and Phoenix,
18 Arizona. None are located in South Carolina.

19
20 **Q. How will Andiamo Telecom, LLC bill for its services?**

21 A. Andiamo Telecom, LLC will bill directly for 1+ calls and will utilize the billing clearinghouse of ILD
22 for billing operator-assisted calls to customers for which the Company does not have a pre-established
23 account. Andiamo Telecom, LLC's toll-free telephone number for customer inquiries and complaints
24 is 1-800-541-6316. The Customer Service Department is staffed seven days a week, twenty-four hours
25 a day.

26
27 **Q. How are trouble reports, billing errors and complaints handled?**

28 A. Andiamo utilizes the billing clearinghouse of ILD for billing purposes for its operator service and its
29 own in-house billing system for long distance customers. The toll-free number for customer inquiries
30 and complaints is 1-800-541-6316. The Customer Service Department is staffed twenty-four hours a
31 day, seven days a week.

1 **Q. Describe the proposed Andiamo Telecom, LLC South Carolina tariff.**

2 A. Andiamo Telecom, LLC has included a proposed interexchange tariff which contains the rules,
3 regulations and rates for Andiamo Telecom, LLC's interexchange services and is attached to the
4 Application as **Exhibit V**.
5

6 **Q. Where is Andiamo Telecom, LLC currently certificated?**

7 A. Andiamo Telecom, LLC has received operating authority in Arkansas, California, Colorado,
8 Florida, Georgia, Hawaii, Idaho, Illinois, Kansas, Kentucky, Louisiana, Maryland, Michigan,
9 Missouri, Montana, North Carolina, Nevada, New York, Ohio, Oregon, Texas, Virginia,
10 Washington, Wisconsin, and Wyoming.
11

12 **Q. Describe Andiamo Telecom, LLC's financial ability to operate as a telecommunications reseller.**

13 A. Andiamo Telecom, LLC has prepared financial statements to show it has the financial resources to
14 operate successfully as a telecommunications reseller to consumers in South Carolina. The
15 Company's financial statements are included as **Exhibit IV** of its Application.
16

17 **Q. Do you believe Andiamo Telecom, LLC is capable of delivering its proposed services in South**
18 **Carolina?**

19 A. Yes, in addition to having sufficient financial resources, Andiamo has a team of experienced
20 managers. Brief resumes of key personnel are included as an attachment to the Company's application.
21

22 **Q. Where in South Carolina does Andiamo Telecom, LLC's intend to offer its services and how**
23 **will those services be offered?**

24 A. Services will be offered on a presubscribed basis and to aggregator / hospitality locations such as
25 hotels and motels. The company intends to offer its services statewide.
26

27 **Q. How does the company intend to market its services?**

28 A. The Company intends to market its services primarily through agents.
29

30 **Q. Does the company intend to use telemarketing as a method of marketing its services in South**
31 **Carolina?**

32 A. No.

1
2 **Q. What regulatory treatment is Andiamo Telecom, LLC's seeking in this application?**

3 A. We request that the Commission regulate its long distance business services, consumer card services,
4 private line services, and operator assisted service offerings pursuant to the procedures described and
5 set out in Docket No. 95-661-C and as modified by Order No. 2001-997-C in Docket No. 2000-407-C.
6 It is Andiamo's intent by this request to have these services regulated in the same manner as this
7 Commission has permitted for by AT&T Communications of the Southern States. Specifically,
8 Andiamo Telecom, LLC requests:

- 9 (a) removal of maximum rate tariff requirements;
10
11 (b) that tariff filings for these uncapped offerings are presumed valid upon filing. If the
12 Commission institutes an investigation of a particular filing within seven days, the tariff filing
13 will be suspended until further order of the Commission; and
14
15 (c) any relaxation in the reporting requirements that may be adopted for AT&T shall apply to
16 Andiamo Telecom, LLC.
17

18 We understand that the Commission distinguishes alternative regulation for aggregator and non-aggregator
19 situations and understand that alternative regulation is not allowed for operator services at aggregator
20 locations such as hospitality situations. We also understand that the alternative regulation orders were
21 modified by Order No. 2001-997 so that rate caps for operator-assisted calls where a consumer uses a
22 local exchange carrier's calling card to complete calls from locations which have not selected that local
23 exchange carrier as their toll provider. The order imposed a maximum cap of \$1.75 for operator
24 surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with
25 these calls.
26

27 **Q. Is the company seeking exemptions from any of South Carolina's regulatory requirements?**

28 A. Andiamo Telecom, LLC requests a waiver of the requirement of 26 S.C. Reg. 103-610 that a carrier
29 keep all records required by the Commission's rules and regulations within the State of South
30 Carolina. Since the company's corporate office is in Arizona, maintaining its books and records in
31 South Carolina would be unduly burdensome. Andiamo Telecom, LLC will have a registered agent in
32 South Carolina and will bear any costs associated with the Commission's inspection of its books and
33 records.

34 Andiamo Telecom, LLC also seeks an exemption for any policies that might require a carrier to
35 maintain its financial records in conformance with the Uniform System of Accounts. As a competitive

1 carrier, Andiamo Telecom, LLC maintains its books in accordance with Generally Accepted
2 Accounting Principles; and therefore, does not possess the detailed cost data required by USOA.
3

4 **Q. Can you briefly outline the transaction with Dancris for which Andiamo seeks approval.**

5 A. The companies signed an Asset Purchase Agreement in which Dancris agreed to sell to Andiamo
6 certain assets located in Arizona and California, and the customer bases located in South Carolina,
7 Arizona and California. The assets to be acquired include fixed assets, accounts receivable, customer
8 security deposits, office lease security deposits, prepaid fees and expenses, Dancris Carrier
9 Identification Codes, access codes, RESPORGID's and administrative telephone numbers.
10

11 **Q. Please describe Dancris specifically.**

12 A. Dancris is an Arizona limited liability company formed in July 1995. The Commission granted
13 Dancris authority to provide interexchange telecommunications services in Order No. 2003-475,
14 Docket No. 2003-31-C.
15

16 **Q. You are seeking to transfer certain assets from Dancris to Andiamo. What will the result of this
17 transaction be?**

18 A. All telecommunications services in South Carolina currently provided by Dancris will be provided by
19 Andiamo. The South Carolina customers have been notified of the pending transfer. They will
20 continue to receive the same quality of service at the same rates. Upon Andiamo being certified,
21 Dancris will request that the Commission cancel its certificate.
22

23 **Q. Is the approval of this transaction in the public interest?**

24 A. Yes. The requested transfer will have no adverse effect upon rates or quality of service to existing
25 Dancris customers. Andiamo will adopt the terms, rates, and conditions contained within Dancris'
26 tariff currently on file with the Commission.
27

28 **Q. How will South Carolina consumers benefit from Andiamo Telecom, LLC's services?**

29 A. Certification of Andiamo Telecom, LLC will increase the level of long distance competition in South
30 Carolina. Andiamo Telecom, LLC offers quality long distance services at competitive prices. In
31 addition, Andiamo Telecom, LLC's marketing plan will expand subscriber awareness of options and
32 services available to them, thus encouraging the growth and success of competitive services.

1

2 **Q. Does this conclude your testimony?**

3 **A. Yes.**